External Review Report:

Academic Quality Agency for New Zealand Universities

Te Pokapū Kounga Mātauranga mō ngā Whare Wānanga o Aotearoa

September 2015

This External Review Report was independently commissioned by Universities New Zealand – Te Pōkai Tara.

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Contents

Acronyms

APQN	Asia Pacific Quality Network
AQA	Academic Quality Agency for New Zealand Universities
AUQA	Australian Universities Quality Agency
CUAP	Committee on University Academic Programmes
INQAAHE	International Network of Quality Assurance Agencies in Higher Education
NZQA	New Zealand Qualifications Authority
NZUAAU	New Zealand Universities Academic Audit Unit
QAA	Quality Assurance Agency for Higher Education (UK)
TEC	Tertiary Education Commission
TEQSA	Tertiary Education Quality and Standards Agency (Australia)
UNZ	Universities New Zealand – Te Pōkai Tara, the operating name of the New Zealand Vice-Chancellors' Committee (NZVCC)
USP	University of the South Pacific

External Review Terms of Reference

The overall objective of this external review is to assess how effectively AQA

- assists the New Zealand Vice-Chancellors' Committee to discharge its responsibilities for quality assurance under the Education Act;
- meets its own Mission and Objectives (see Appendix 2);
- meets the INQAAHE Guidelines of Good Practice;
- transacts its core business processes.

The review has been framed under the following headings:

1. Accountability, Transparency and Resources (INQAAHE Section I; AQA Objective 3)
2. Relationships between AQA and the Universities (INQAAHE Section II; AQA Mission)
3. External Review (INQAAHE Section III; AQA Objective 1)
4. Quality Enhancement (AQA Objective 2)
5. External Activities (INQAAHE Section IV; AQA Objective 2)

The particular criteria applied include the following:

1. Accountability, Transparency and Resources

1.1 The strategies, objectives and governance structure are appropriate for the objectives of the agency.

1.2 Financial and human resources and processes are adequate to ensure the agency can conduct its business effectively, and to facilitate appropriate development of the agency.

1.3 AQA has a system or systems of continuous quality assurance of its activities, including its external audits, auditor recruitment and training and its business practices.

1.4 AQA is publicly accountable with respect to (a) its external audits and (b) financial practice.

1.5 AQA review processes include appropriate recognition of the relevant sections of the Education Act 1989 and of the principles of Te Tiriti o Waitangi.

1.6 AQA engages in appropriate stakeholder consultation and communication.

1.7 AQA has effective communication tools and strategies for dissemination of information.

2. Relationships between AQA and the Universities

2.1 AQA respects the autonomy, identity and integrity of the universities (individually and collectively) and recognises that institutional quality assurance is primarily the responsibility of the universities themselves.

2.2 The criteria which AQA applies in its external quality assurance have been subject to reasonable consultation with the universities and with students.

2.3 AQA endeavours to contribute to quality improvement within the universities; AQA provides quality assurance and quality enhancement services which assist universities in facilitating excellent student experience and learning outcomes.

2.4 AQA endeavours to be a leader and advocate in the development of universities which are based on high quality, internationally acceptable, academic practices.

2.5 AQA provides documentation for the universities which indicate clearly what AQA expects of the institution with respect to self-review and external audit.

3. External Review

3.1 AQA processes ensure external audits of New Zealand universities are independent of the universities and of any other external agency and are timely, both with respect to frequency and with respect to the audit process itself.

3.2 AQA audit processes and findings are internationally benchmarked.

3.3 AQA documentation for external audits states clearly the methodology to be used for the evaluation.

3.4 AQA documentation for external audits states clearly the standards (criteria) to be used for the evaluation and the manner in which outcomes will be conveyed.

3.5 AQA processes ensure the auditors are appropriately experienced, have necessary training and are capable to undertake the audit task.

3.6 AQA ensures issues related to confidentiality and conflict of interest are appropriately managed.

3.7 AQA processes ensure the external audit reports are evidence-based, authoritative, fair, clear and have precisely-stated conclusions.

3.8 AQA processes ensure the evaluations and conclusions address the university's own self-assessment and external reference points.

3.9 AQA has appropriate appeal procedures.

4. Quality Enhancement

4.1 AQA contributes to the development, dissemination and implementation of new policies and good practices in quality assurance and quality enhancement, both nationally and internationally.

4.2 AQA endeavours to improve the quality and reputation of its activities (including audit practice) by interaction with other education and academic quality assurance agencies, both nationally and internationally.

5. External Activities

5.1 AQA communicates and collaborates with other external quality assurance agencies in areas such as exchange of good practices, capacity building, formulation of decisions, provision of transnational education, joint projects and staff exchanges.

5.2 AQA has guidelines related to transnational/cross-border education, in as much as these are relevant to academic audit of the New Zealand universities.

Members of the Review Panel

Hon Professor Roy Crawford (Panel Chair)
Former Vice-Chancellor of the University of Waikato

Dr Bill Harvey
Former Director of the Quality Assurance Agency (Scotland)

Professor William Keng-Mun Lee
Executive Director of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications (until 12 July 2015)
Director, HKU School of Professional and Continuing Education
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Secretary
Heather Dickie

Acknowledgements

The Panel gratefully acknowledges the assistance provided by Mrs Jackie Bailey and Ms Rebecca Sykes of Universities New Zealand.

The Panel thanks the AQA staff, Dr Jan Cameron and Ms Heather Kirkwood, for the quality of the background papers provided to the Panel.

The Panel also wishes to thank all those who made submissions to the Panel both in person through the interview process and in writing. The submissions and interviews were thoughtful and constructive and were of great assistance to the Panel in coming to its conclusions.

Executive Summary

This external review is the fourth since the Academic Quality Agency for New Zealand Universities (AQA) was established in 1993. It has been informed by AQA's Self-Review Report and supporting documentation, interviews with 40 stakeholders and 22 written submissions. The Panel closely followed the External Review Terms of Reference in their exploration of the work of the agency. These state that the overall objective of this external review is to assess how effectively AQA:

- assists the New Zealand Vice-Chancellors' Committee to discharge its responsibilities for quality assurance under the Education Act
- meets its own Mission and Objectives
- meets the INQAAHE Guidelines of Good Practice
- transacts its core business processes.

This report and its accompanying Commendations and Recommendations comprise the results of that exploration.

Accountability, Transparency and Resources

The Panel considers that AQA's governance structure is appropriate, and that it is publicly accountable and transparent in its activities and processes. To enhance the effectiveness of the AQA Board the Panel recommends that consideration be given to ways to incorporate international representation and more effective student representation. As a means to strengthen public perception of the robustness of the audit process the Panel concluded that universities should be encouraged to make a public statement available within three years after their audit report is released to outline the actions they have taken as a result of their audit. Several refinements to Board processes have been recommended to ensure there is clarity around these processes. Consultation, collegiality and communication were seen by the Panel as particular strengths of the agency. The Panel received many positive comments about the usefulness of the AQA website and the high quality of the AQA Handbooks.

AQA's resourcing had been a focus of the previous external review so the Panel examined this area in some detail. Panel members were pleased to see the success of the shared services model with Universities New Zealand. This ensures operational efficiency yet allows independence of core functions. This model also enables AQA staff members to concentrate on the areas in which they have professional expertise. Overall the Panel found that AQA's financial and human resources and processes are adequate to ensure the agency can conduct its current business effectively. If it was deemed necessary to expand the role of the agency then more funding would be required so that capacity could be increased.

Relationships between AQA and the Universities

It was the Panel's view that AQA is diligent in respecting the autonomy, identity and integrity of the universities. Consultation on the audit criteria for Audit Cycle 6 received a considerable amount of attention from stakeholders. The prevailing view in these discussions was that, to ensure that universities can derive the most benefit from the audit process, Audit Cycle 6

might be more focused. A number of suggestions were made about potential areas for such focus.

Those outside New Zealand spoke in very positive terms of the leadership provided by AQA staff at the Asia-Pacific Quality Network (APQN) and by New Zealand auditors during audit visits to universities in the Pacific. However in the submissions related to this term of reference the Panel detected a difference between the views of those within New Zealand universities and those outside New Zealand. To some New Zealand university stakeholders AQA's leadership and advocacy role appears somewhat opaque. It was the Panel's view that New Zealand universities could find ways to take more advantage of the international expertise that AQA staff and a number of New Zealand auditors have accumulated.

External Review

The Panel found that audits were carried out independently of the universities, and that the audit methodology and criteria were clear. The involvement of AQA staff in audit site visits is supported in order to ensure that audit processes are consistent and to enable moderation of audit reports. The Panel is satisfied that AQA has robust processes in place to manage confidentiality and conflicts of interest.

All university stakeholders told the Panel that the inclusion of international audit panel members is essential to the audit process and that it adds considerable value. The Panel encourages auditors and panel Chairs to make the most of the experiences that international panel members can bring to the audit process. The Panel also encourages AQA to ensure that international panel members are aware of the New Zealand tertiary education context and that they have been briefed on any current local issues before their service on an audit panel.

The Panel investigated auditor training, its timeliness and the resources that support it. The resources provided were seen to be helpful and the training worthwhile. A number of suggestions were made that would improve the value of the training sessions. The Panel notes the importance of auditors receiving sufficient training relatively close to the audit site visit.

Another area that the Panel considered in some detail was the diversity of audit panels. Many of those with whom the Panel spoke suggested that it would benefit the audit process if this pool was broadened to include younger academics, early career academics, industry members, employers, students or recent graduates and a stronger representation of international auditors. The Panel encourages the consideration of such diversity in audit panel membership.

Quality Enhancement

The Panel was impressed with the range of quality enhancement resources that AQA provides, and the positive relationships that AQA has developed with other national and international agencies. AQA was seen as outward looking and collegial with a strong international reputation.

External Activities

The Panel observed that AQA is seen by international stakeholders as a significant contributor to the development of new approaches in external quality assessment and practices. AQA's sharing of resources and good practice, ideas and expertise was seen to benefit the Asia-Pacific region in particular. The Panel invites AQA and the New Zealand universities to consider how such international initiatives can be used to add more value to AQA's core activities within New Zealand.

Based on the evidence provided, it is the view of the Panel that AQA continues to meet the INQAAHE Guidelines of Good Practice and that the agency transacts its core business processes effectively and efficiently. The agency meets its own Mission and Objectives, particularly in the international sphere.

Overall the Panel concludes that AQA ably assists Universities New Zealand to discharge its responsibilities for academic quality assurance under the Education Act.

Summary of Commendations and Recommendations

Commendations

1. The Panel *commends* AQA on the extent to which the recommendations of the previous review have been implemented.

2. The Panel *commends* AQA and Universities New Zealand on their shared services model which ensures operational efficiency yet allows complete independence in terms of each of their core functions.

3. The Panel *commends* AQA and the AQA Board on the improvements and enhancements introduced as each cycle of audits has been developed.

4. The Panel *commends* AQA for the high level of professionalism, collegiality and support shown during their engagement with New Zealand universities and the AQA auditors.

5. The Panel *commends* AQA and the AQA Board for operating a system of quality audit of New Zealand universities which meets the highest standards of independence and integrity.

6. The Panel *commends* AQA on the user-friendly nature of its website and the high quality of its handbooks.

7. The Panel *commends* AQA on the robust processes that it applies to the audit of quality in universities.

8. The Panel *commends* AQA for the involvement of its staff during audit panel site visits which ensures consistency of operation.

9. The Panel *commends* AQA for providing a range of highly regarded quality enhancement resources (newsletter, annual conference, website) alongside its core quality assurance activities.

10. The Panel *commends* AQA for its strong international presence and its development of constructive links with many other national and international quality agencies. This has contributed to the international respect and recognition given to New Zealand quality audit processes.

11. The Panel *commends* AQA on their international engagement and initiative in contributing to overseas audit processes.

Recommendations

1. The Panel *recommends* that the AQA Board explore ways to enhance the effectiveness of student representation on the Board.

2. The Panel *recommends* that the AQA Board explore ways to incorporate international representation on the Board.

3. The Panel *recommends* that the AQA Board explore the scope for enhanced induction for new AQA Board members.

4. The Panel *recommends* that the AQA Board clarify its process in relation to the receipt and approval of audit reports to ensure that the Board's intention is reflected in the process.

5. The Panel *recommends* that there be a debriefing report compiled after each audit site visit, based on the feedback from universities and audit panel members, for discussion by the AQA Board.

6. The Panel *recommends* that AQA encourage universities to make a public statement available within three years after their audit report is released in regard to the actions they have taken as a result of the quality audit.

7. The Panel *recommends* that AQA and the AQA Board actively consider and consult on ways to enhance the student voice and the engagement of students with the audit process.

8. The Panel *recommends* that AQA and the AQA Board consider, in consultation with the universities and other stakeholders, how Cycle 6 might be more focused. This is to ensure that universities can derive the most benefit from the audit process and ensure alignment with each university's strategic goals, including what it means to be a university, and an academic, in the 21st century.

9. The Panel *recommends* that AQA ensure that international auditors, and New Zealand-based auditors, can be enabled to bring international best practice to the audit process, and quality assurance and quality enhancement activities. Conversely, AQA needs to ensure that international auditors are aware of the New Zealand tertiary education context and any current local issues before their service on an audit panel.

10. Recognising that it is crucial that all auditors are well prepared in a timely way, the Panel *recommends* that systems be put in place to ensure that all auditors have received sufficient training before they attend an audit site visit. This should occur relatively close to an audit visit and might make use of on-line training materials.

11. The Panel *recommends* that AQA ensure that there is an appropriate diversity in the skills and experience of audit panel members, and that audit panel members be recruited and chosen carefully to match the distinctive nature of individual institutions.

12. The Panel *recommends* that AQA emphasise the importance of the Self-Review Report and associated documentation to universities and to the audit panels, and work to enable the sharing of exemplars and best practice between universities.

13. The Panel *recommends* that the possible remedies in an appeal be more clearly articulated.

Audit Process

Universities New Zealand (UNZ) commissioned this external review of the Academic Quality Agency for New Zealand Universities (AQA) in June 2014 with the review scheduled to take place in June 2015. This is the fourth review of the agency, the previous reviews having taken place in 1997, 2001 and 2009[1].

The Terms of Reference for the review were approved by the Vice-Chancellors in August 2014 and a three-member review panel was appointed by December 2014. The panel comprised two international members and one New Zealand member.

Following approval by the AQA Board, the Self-Review Portfolio addressing the Terms of Reference was received by the review panel in early April 2015. As well as the Self-Review Report, the Portfolio included supporting documentation such as audit handbooks, planning documents, feedback summaries and minutes of meetings. The material was comprehensive and well-organised. As well as hard copies of some of the documents, an electronic 'Dropbox' of this information was created for panel members. The Panel suggests that the format of the self-review portfolio be used as an exemplar of best practice for universities in the preparation of self-review materials.

Sixty-six New Zealand and international stakeholders were invited to meet with the Panel, either in person or via a telephone interview. Those invited for interview were offered the opportunity to also provide a written submission, or to provide a written submission if an interview was not convenient or possible. Written submissions were also invited from 30 Auditors on the AQA Register of Auditors.

Stakeholder groups invited to participate in the review process were:

- Academics
- Ako Aotearoa
- All New Zealand universities (senior academic quality staff and senior academic administrators)
- AQA current and former Board members
- AQA staff
- Auditors
- CUAP members
- New Zealand Vice-Chancellors
- NZQA
- NZUSA
- Students
- Staff from international partner agencies
- Staff from universities in the Pacific
- TEC
- UNZ staff.

[1] The Agency's name prior to 2012 was the New Zealand Universities Academic Audit Unit.

The Panel spoke with 40 stakeholders during the review. Twenty two written submissions were received. All the stakeholder groups listed above were represented in the interviews and written submissions.

The Panel Chair and Secretary met in February 2015 to familiarise themselves with the review process and Terms of Reference and to work with Universities New Zealand on the logistical arrangements for the review visit. Discussions between the panel members took place via email during the three months before they met in Wellington. The panel members then convened at Universities New Zealand for the week of 22 – 26 June 2015 to undertake a series of interviews and discussions with stakeholders. In addition the Chair of the review panel met with several Auckland-based stakeholders prior to the review visit.

At the end of the review visit, the Panel met with representatives from Universities New Zealand, the AQA Board and AQA staff to provide their initial feedback and impressions. A verbal summary of commendations and recommendations was also provided at this meeting.

This review report was drafted in the period after the review visit and sent to the AQA Board Chair and staff for fact checking before submission to Universities New Zealand, the AQA Board Chair and AQA Director on 22 September 2015. It represents the findings of the Panel, based on the evidence provided through the AQA Self-Review Report and associated documents, written submissions, interviews with stakeholders and the Panel's own deliberations.

Introduction

It is critical that New Zealand universities deliver excellence in teaching and research. Having this assessed independently, to international standards, is crucial for their continued success.

To this end, the New Zealand tertiary education quality assurance framework includes the following components:

- Programme and training scheme approval and accreditation
- Self-assessment
- External evaluation and review/audit.

This quality assurance framework ensures that:

- New Zealand university qualifications are regarded as being of high quality, both nationally and internationally
- Learners are studying at internationally competitive institutions
- Tertiary education institutions are continually strengthening and improving educational outcomes through ongoing self-assessment.

The Ministry of Education (MoE) is the government's policy agency responsible for providing strategic policy advice to the Minister of Education and for monitoring the overall performance of the education system and its achievement of strategic goals and priorities.

The Tertiary Education Commission (TEC) manages the funding of the tertiary education system, monitors the performance of individual providers and gives effect to the Tertiary Education Strategy. The Commission also undertakes New Zealand's research evaluation exercise through the Performance Based Research Fund (PBRF).

The New Zealand Qualifications Authority (NZQA) is responsible for ensuring educational quality, and manages the quality assurance and formal approval of publicly-funded qualifications for all parts of the education system, other than universities. NZQA has also established an "external evaluation and review" regime which involves an in-depth quality evaluation of each tertiary education organisation at least once every four years.

Universities are statutorily independent of NZQA and Section 159AD of the Education Act (1989) defines the New Zealand Vice-Chancellors' Committee as "*the body primarily responsible for quality assurance matters"* in universities. To give effect to this responsibility, in May 1992 the New Zealand Vice-Chancellors' Committee made a collective decision that all New Zealand universities would be subject to academic audit. The New Zealand Universities Academic Audit Unit (now known as the Academic Quality Agency for New Zealand Universities) was established in 1993 and the first audits were conducted in 1995.

The Academic Quality Agency for New Zealand Universities is one of two approval and review bodies established by the New Zealand Vice-Chancellors' Committee (now operating as Universities New Zealand - Te Pōkai Tara) to oversee the academic quality assurance of New Zealand universities. The other is the Committee on University Academic Programmes

(CUAP) that has, among its functions, delegated responsibility for the approval and accreditation of university qualifications.

AQA comprises a Board, a Register of Auditors and a Secretariat, headed by a Director. AQA's governing Board is appointed by the Vice-Chancellors, however AQA is operationally independent of Universities New Zealand and the universities.

The purpose of AQA is to contribute to the advancement of New Zealand university education by

- Engaging as a leader and advocate in the development of academic quality
- Applying quality assurance and quality enhancement processes that assist universities in improving student engagement, academic experience and learning outcomes *(AQA Constitution).*

Previous Reviews and Progress on Recommendations

This is the fourth external review of AQA/NZUAAU since the agency's establishment in 1993. The last external review took place in August 2009[2]. AQA/NZUAAU responded to the recommendations of the 2009 review in a one-year-on report in November 2010, and in its Strategic Plan, 2011 – 2014.

AQA/NZUAAU's responses to key recommendations in the 2009 review addressed:

- The agency's independence and the perception of that independence
- Resourcing to meet the agency's terms of reference and strengthen its profile
- Strategic planning
- AQA Board composition
- The integration of quality audits with universities' on-going operations and processes for self-assessment
- Auditor training
- Appeals
- Communication with stakeholders
- International networking.

The Panel was pleased to see the careful consideration given to the 2009 review recommendations by the AQA staff and AQA Board, and the changes made as a result.

With a view towards continuous improvement, many of the themes in the 2009 review are further explored in the 2015 review. In several areas progress between the 2009 and 2015 reviews has taken the path of process development towards process refinement. A number of the recommendations of this review therefore build on recommendations from the previous review.

Commendation 1
The Panel *commends* AQA on the extent to which the recommendations of the previous review have been implemented.

[2] External reviews also took place in 1997 and 2001.

Section 1: Accountability, Transparency and Resources

1.1 Governance

The strategies, objectives and governance structure are appropriate for the objectives of the agency.

Members of the Panel discussed AQA governance with the Board Chair, Deputy Chair, two lay members and the student representative on the Board, as well as the Executive Director of Universities New Zealand, the Executive Director of the New Zealand Union of Students' Associations and the AQA Director and Deputy Director.

It was noted that the Board is strongly of the view that a thorough, comprehensive and highly respected audit process increases the credibility of the New Zealand universities both nationally and internationally. In particular the international reputation of all New Zealand universities depends upon the reputation of their quality assurance processes, both in terms of programme accreditation and institutional audit.

The Panel found that the AQA mission, purpose and governance arrangements are clearly and publicly articulated through the AQA website and in AQA communications and documentation. Their working structure is clear with the Board Chair and AQA Director having separate and well-defined roles. The role and boundaries of the Board are clearly publicised.

During and in advance of the review visit the Panel was able to examine the agency's strategic documentation. It found that the AQA Constitution was comprehensive and regularly reviewed. The strategic planning cycle was responsive and embedded within the agency's work. The Panel observed the seriousness with which the Statement of Service Performance/Statement of Intent process was embraced, especially as this process is not a requirement placed on the agency.

The AQA Constitution states that *"in order to maintain and enhance the quality of the academic activities of universities the New Zealand Vice-Chancellors' Committee established the Academic Quality Agency for New Zealand Universities*". This statement provides the reason for AQA's establishment and its twin objectives of quality assurance and quality enhancement. These objectives are then appropriately expanded upon in the AQA Objectives 1 and 2. During the review many stakeholders commented on the balance between AQA's quality assurance (AQA Objective 1) and quality enhancement (AQA Objective 2) activities. These views will be explored further in Section 1.2 and Section 4.

The Panel considered a number of matters related to the membership of the Board. The Panel was pleased to note the extent to which the Board Chairs have been familiar with the importance of the quality of teaching in universities and the audit of academic quality in universities. The Panel also discussed the skills versus representative models of board membership with Board members. From these discussions the Panel learned that the two models had been extensively discussed by the Board. Having considered the merits of each,

the Board had decided to continue with the representative model. One of the features of this model is the student representative.

The Panel heard from Board members, AQA staff, the Executive Director of NZUSA and the Board student representative, how the contribution that the student representative can make is limited by the term of their office, which in recent years has been only one year. Given that the Board meets only three times each year the potential for effective student input is considerably diminished. All of those with whom the Panel spoke emphasised the importance of student representation. The informal meetings between AQA and NZUSA staff, and briefings by the NZUSA Executive Director of the incoming student representative, were acknowledged as going some way towards mitigating the effects of this lack of continuity.

Although the NZUSA has an ethos of 'students speaking for students', the Panel suggests that the AQA Board and staff, NZUSA staff and the Presidents of the Students' Associations discuss ways whereby the term of the student representative on the Board could be extended. The Panel notes that "*the term of office of appointed Board members is three years, with the exception of that of the nominee of the New Zealand Union of Students' Associations which, at the request of that association, may be for a shorter period*". Having discussed this with the various stakeholders it would appear to the Panel that there is room within the AQA Constitution to extend the student representative's term of office beyond one year and thus provide more continuity and a more effective voice for students.

The Panel also explored the possibilities with several stakeholders for international representation on the Board. Although all were cognisant of the potential cost of such representation, most felt that a board member with 'hands-on' experience of international best practice would be a valuable addition to the Board. A number of suggestions were made about how such a person could contribute without having to attend each meeting in person, e.g. a corresponding member, Skype or audioconference, attendance at one meeting per year plus Skype, etc.

In relation to the AQA governance structure, the Panel therefore makes the following recommendations:

Recommendation 1
The Panel *recommends* that the AQA Board explore ways to enhance the effectiveness of student representation on the Board.

Recommendation 2
The Panel *recommends* that the AQA Board explore ways to incorporate international representation on the Board.

AQA wrote in their Self-Review Report *"Of the Board's eight-person membership, only one of these is a practising university teacher. There is a risk this could lead to a diminished understanding at the Board table of current challenges and developments across the sector from the perspective of those responsible for delivering a quality academic experience."* It was also noted in discussions that lay members of the Board may need further clarification from the Board Chair or Director in relation to the complexities of academia in the 21st century.

To this end, the Panel asked Board members whether they would have found it helpful to observe part or all of an audit site visit. Members had a range of views, with the consensus being that lay and student members could benefit if the option to observe was offered on an individual basis, with the agreement of the audit panel members and the university being audited. It was acknowledged that such an opportunity would enable the board member to only see a portion of the audit process if they have not also seen the university's self-review report, however it would enable an incoming member to see the audit process in action and to gain an understanding of the skills required by auditors.

The Panel also suggests that the Board and AQA staff consider ways to encourage non-Wellington based Board members to feel more connected with the Board's work. AQA and NZUSA may also like to discuss a more systematic process to induct the student representative onto the Board.

Recommendation 3
The Panel *recommends* that the AQA Board explore the scope for enhanced induction for new AQA Board members.

Evidence provided by AQA in its Self-Review documentation and during the Panel's interviews with stakeholders shows that the AQA Board is active and engaged. Its terms of reference are appropriate and its functions are undertaken effectively with care, diligence and integrity. The Panel considers that AQA's strategies, objectives and overall governance structure is appropriate.

1.2 Resources and Processes
Financial and human resources and processes are adequate to ensure the agency can conduct its business effectively, and to facilitate appropriate development of the agency.

The operational funding that AQA receives is derived from the universities. The universities therefore need to be assured that this money is being well spent. The Panel noted from the AQA Self-Review Report that the AQA operating grant has not increased significantly over the last five years, with the increases approximating the rate of inflation. The Panel was pleased to note that in 2012-2013 and 2013-2014 AQA received unqualified audit opinions on its financial and service performance statements.

The Executive Director of Universities New Zealand (UNZ) confirmed that the AQA staff and Board prepare their own budget each year independently of UNZ. It was also noted that AQA is able to make a business case to UNZ for additional funds for projects or other initiatives should they wish to do so.

Following a restructuring exercise in 2010 that resulted in a number of efficiency gains in administration, financial and IT services, a service lease agreement was signed with UNZ in 2011. This agreement covers administrative support, IT and website services and some accounting and payroll functions. It is reviewed annually and amended as required. The

Executive Director of UNZ confirmed that this arrangement works very well and that the move to share resources in this way has been a very positive development.

> **Commendation 2**
> **The Panel *commends* AQA and Universities New Zealand on their shared services model which ensures operational efficiency yet allows complete independence in terms of each of their core functions.**

The 2010 restructuring also saw a change in the AQA staffing arrangements. With the purchase of administrative services from UNZ through the service lease agreement, a part-time professional appointment could be made. Although initially appointed at .6 FTE, this role has been increased to .8 FTE with the bringing in-house of AQA's financial accounting activities.

The Panel found that the AQA human resources situation generated a considerable amount of comment and feedback from stakeholders. Generally, stakeholders outside the universities (international stakeholders and auditors) thought the agency was under-resourced. Typical comments were:

> *I think the AQA does a very effective job within its operational constraints. I would question whether it is sufficiently resourced to be truly effective in protecting students' interests or has sufficient independence from the universities themselves.*
> (NZ stakeholder)

> *I wish AQA had just a little more resourcing to hold more meetings or to write up and disseminate reflections, experiences, and ideas on emerging challenges.*
> (International stakeholder and auditor)

University stakeholders and the Vice-Chancellors, however, thought resourcing was appropriate to undertake the agency's core activities:

> *The Vice-Chancellors value the work that AQA does. The current mandate, role, transparency and accountability arrangements are working well. AQA serves the university sector best by maintaining its current focus and configuration. At a broad agency level, Vice-Chancellors do not see value in changing the role or resourcing of AQA.* (Universities NZ)

> *The University believes that the AQA has the appropriate level of resources for its core function of conducting academic audit, particularly considering the percentage of the costs borne by the universities.* (University stakeholder)

Given the small size of the agency the potential for staff burnout was also noted by several respondents:

> *AQA is efficient because it has to be but being a very small organisation, the Executive Director and staff are always 'on'. I know this can be exhausting over time: the Board needs to be aware of the potential for burnout.*
> (International stakeholder and auditor)

The Panel discussed with the Director and Deputy Director the risk of only having two staff to cover all of AQA's activities. The Panel was told that this risk really only manifests itself during an audit site visit, and that contingency plans are in place for all other aspects of the agency's operations. The Panel is mindful, however, of this potential risk and suggests that the AQA Board formalise the process for appointing an Acting Director to lead the agency during an unplanned or long-term absence.

The Panel also asked the AQA staff and Board members for their own views about the agency's staffing. They were told that resourcing is sufficient now that the administration is outsourced and another professional staff member has been appointed, as long as the agency's current mandate stays the same. The Director also advised that extra temporary staff can be engaged, if needed, for particular projects or activities (e.g. conference organisation, proof-reading of publications). The view of the Board was that AQA carries out its mandated tasks well, within its resources, but this depends on having excellent staff.

In discussing the resourcing of the agency, the Panel asked AQA staff, university stakeholders and auditors what additional activities AQA could undertake to support its quality assurance and quality enhancement objectives if it had more staff. The following suggestions were made:

- *International work in the region*
- *Participation on international audit panels*
- *Improving student engagement*
- *Analytic work including thematic analyses*
- *Research around good practice*
- *Facilitation of quality conversations and more sharing of international best practice*
- *More professional development with academic quality managers*
- *Upskilling auditors around international good practice or on an audit theme such as employability*
- *There is potential for encouraging universities, through AQA processes, to do more benchmarking in a formative way, so that everyone can see what the other universities do and how they do it and can share good practices*

The key consideration that emerged from these discussions was the balance of AQA's mandate - should it lean more towards quality assurance or more towards quality enhancement? To increase the agency's quality enhancement activities, however, more funding would be required. As one university stakeholder put it "if universities want more out of it, they will have to put more into it".

Overall the Panel found that AQA's financial and human resources and processes are adequate to ensure the agency can conduct its current business effectively. If it was deemed necessary to expand the role of the agency then more funding would be required so that capacity could be increased.

1.3 Internal Quality Assurance

AQA has a system or systems of continuous quality assurance of its activities, including its external audits, auditor recruitment and training and its business practices.

The Panel discussed the agency's systems of internal quality assurance with the Director, Deputy Director and members of the Board. Auditors were also invited to comment on these systems as they pertained to external audit and auditor recruitment and training. The Self-Review Report described the mechanisms by which AQA staff assured themselves of the quality of the external audit process and auditor recruitment and training. Panel members were able to see operational manuals and audit-related handbooks during the review visit.

An international auditor with experience of the 2009 external review of the then-NZUAAU, and also the Cycle 5 audit process in 2014, was pleased to note that "… *there has been substantial and ongoing quality enhancement of the agency, its structures and its processes in the intervening five years, which suggest that its internal quality assurance systems are working well*".

Although the systems related to the quality assurance of business practices were somewhat informal, the Panel was satisfied that they are robust and fit for purpose. The Panel was pleased to note that duplicates of the AQA electronic and hard copy operational documentation are held and available off-site.

The Panel agrees with the assessment by AQA staff in the Self-Review Report that documentation of the systems for internal quality assurance would be valuable, in particular to assist with business continuity and succession planning. As part of the agency's risk management strategy the Panel suggests that AQA also consider the compilation of a business continuity plan.

The Panel also drilled down into several of the agency's business practices, in particular the approval of audit reports and debriefing after audit site visits. Discussions with Board members and AQA staff alerted the Panel to there being some confusion about the precise role of Board members in considering audit reports and approving them for publication.

Recommendation 4
The Panel *recommends* that the AQA Board clarify its process in relation to the receipt and approval of audit reports to ensure that the Board's intention is reflected in the process.

The Panel was advised that there is no formal debriefing report written after an audit site visit, although feedback on the site visit and audit process is sought from audit panel members and the audited university, and the audit visit and process is discussed by AQA staff and the audit panel Chair. It was the view of the Panel that a written debriefing report would give the Board some knowledge of any issues that had arisen during the audit process and would be of benefit should there be an appeal. Such a report would also feed into the cycle of AQA's continuous internal quality assurance systems.

Recommendation 5
The Panel *recommends* that there be a debriefing report compiled after each audit site visit, based on the feedback from universities and audit panel members, for discussion by the AQA Board.

Eight written responses related to AQA's internal quality assurance systems were received from New Zealand and international auditors from both Cycle 4 and Cycle 5. Six of the eight respondents agreed that AQA has a robust system of continuous quality assurance of its activities, the other two felt that knowledge of such systems was somewhat outside the auditor's remit. The collaborative, rather than compliance-oriented, approach to audit was commended. This approach was seen to be transparent and accountable.

A Cycle 5 auditor commented that "*the system of referrals for auditing recruitment seems to work well, as does the level of vetting and combining of expertise within a panel to provide a range of expertise for the audit panels. The organisation of the audit process is commendable*".

In discussions and written feedback, auditors and universities commented on the improvements made to the audit process between Cycle 4 and Cycle 5. The auditor and university handbooks were described as clear and helpful. There was better guidance for the audit panel, the discussion of expectations was richer and overall the process was more refined. These improvements enabled universities to respond to the audit expectations more effectively. Audit reports were more consistent and balanced. Auditor training in terms of questioning and listening techniques had improved.

Commendation 3
The Panel *commends* AQA and the AQA Board on the improvements and enhancements introduced as each cycle of audits has been developed.

1.4 Public Accountability
AQA is publicly accountable with respect to (a) its external audits and (b) financial practice.

Having examined AQA's Annual Report 2013-14, the Panel was satisfied that AQA is publicly accountable for its financial and service performance as required by the Office of the Auditor General.

The public release of audit reports and the associated media release also supports public accountability. Conversely, the Panel supports the current practice whereby university self-review reports are confidential to the audit process. It was the Panel's view that this enables an honest self-evaluation to take place.

The Panel spent considerable time with university and other stakeholders exploring whether there would be benefit in publicly releasing university follow-up reports.

Arguments supporting the release of follow-up reports included:

- It would enhance transparency.
- It would assist with accountability - by not publishing them the loop is not demonstrably closed.
- Follow-up reports provide a level of accountability to the public in relation to the expenditure of public money on audits.
- The implementation plan goes to the Academic Board and Council of the university concerned so is already 'public'.
- A visible commentary on specific actions taken is good practice. Without this the actions taken can get buried in the next audit report.

Arguments counter to the public release of follow-up reports included:

- There would be a sensitivity around making it a 'real' report as opposed to a public relations document.
- Universities would write the response differently if they knew it was for a public audience.
- Sometimes recommendations and responses are technical – there could be possibilities for misunderstandings by the public, alumni or funders.
- There is not much of interest to the public in the reports. What would it add?
- Universities would not want to look defensive.
- The media could misinterpret such a report. It could contribute to 'unbalanced' league table comparisons.

On balance, the Panel was of the view that the provision of a public statement would enhance public perception of the robustness of the review process.

Recommendation 6
The Panel *recommends* that AQA encourage universities to make a public statement available within three years after their audit report is released in regard to the actions they have taken as a result of the quality audit.

1.5 Education Act and Te Tiriti o Waitangi

AQA review processes include appropriate recognition of the relevant sections of the Education Act 1989 and of the principles of Te Tiriti o Waitangi.

The Education Act (1989) S162 4(a) (ii) states that a distinguishing feature of universities is that *"most of their teaching is done by people who are active in advancing knowledge"* and furthermore in S162 4(a) (iii) that *"they meet international standards of research and teaching"*. Having referred to the Cycle 5 audit Guideline Statements and the Cycle 5 audit reports of several universities, the Panel was satisfied that AQA review processes recognise these sections of the Education Act (1989).

The AQA Self-Review Report describes AQA's Cycle 5 approach to honouring the principles of Te Tiriti o Waitangi as intending to signal an expectation of equivalence of outcome. Unlike Cycle 4, assessment of university processes that enhance opportunities for Māori is embedded within many of the Guideline Statements.

The Panel received feedback from six auditors on recognition of the principles of Te Tiriti o Waitangi in AQA review processes. A range of opinions was expressed and a number of constructive suggestions were made in relation to improving the responsiveness of the review process and assisting universities to consider 'what quality looks like in a Treaty responsive university'.

In relation to the review process, auditors spoke of the benefit of having an Australian audit panel member who had insight into indigenous people in universities in other jurisdictions. Although the emphasis and focus of audit panels differs, auditors felt that, on the whole, Treaty responsiveness is taken seriously by both auditors and by universities. To date in Cycle 5 universities had approached this area thoroughly and with a great deal of preparation. Key people were available to enable discussions of curriculum and support.

Auditors appreciated the embedding of Te Tiriti o Waitangi within the audit process as it was seen as unhelpful for a Māori panel member to have Te Tiriti o Waitangi as their sole focus. It was seen as much more productive if such a person is embedded fully within the quality auditing process as they can then see links and bridges between Te Tiriti and other issues. An auditor suggested that there would be merit in adding Treaty responsiveness as an audit cycle in itself or as a parallel Treaty audit process.

"NZ Universities and Te Tiriti o Waitangi" (2004) AAU Series on Quality No. 9 was mentioned as a useful document that it was now perhaps time to update.

It was noted by several auditors, however, that the interpretation of obligations associated with Te Tiriti o Waitangi requires continued, active consideration both within AQA, as part of the review process and in universities:

> *I think there could be more consideration of how universities, alongside AQA, enable their staff to best serve Māori learners and staff, and how this is highly valued at an institutional level.* (NZ Cycle 5 auditor)

> *More culturally sensitive work is required by all panels. … There is a level of sophistication required to genuinely doing this that is not currently present.* (NZ Cycle 5 auditor)

Another auditor noted that there appear to be no real relationships between AQA and Iwi or Māori organisations.

A university stakeholder with international quality audit experience, particularly in the United Kingdom, noted the parallels between New Zealand universities and those in the United Kingdom where the diversity in the university population has increased considerably. It was suggested that useful conversations around equity of opportunity and access could take place with partners in such jurisdictions.

The Panel challenges AQA, Māori stakeholders and the universities to begin a conversation that considers how the review process can become even more responsive to Treaty obligations and can enable universities to best serve the interests of Māori learners and staff.

1.6 Stakeholder Consultation
AQA engages in appropriate stakeholder consultation and communication.

Five auditors and one university stakeholder made a written response to this statement. The Panel also spoke with a range of university and external agency representatives in relation to this term of reference. Good communication links with universities were acknowledged, with one recently audited university noting they were consulted in an appropriate manner in relation to all aspects of the audit process and the audit itself. Comprehensive consultation prior to the beginning of Cycle 5 was noted: "*As part of the lead in to Cycle 5 all universities were consulted and had the opportunity to participate in the setting of the audit framework. This was a valuable exercise"*. Extensive and repeated consultation with universities was acknowledged as well as with Universities New Zealand. This engagement with stakeholders was seen to be supportive and constructive.

The Panel spoke with representatives of the New Zealand Qualifications Authority. They confirmed that the NZQA relationship with AQA was sound and professional. AQA is a member of the Joint Consultative Group, which includes NZQA and UNZ, and has worked with NZQA on a number of ad-hoc working groups related to quality assurance at the national level.

The Panel received a written submission from the Tertiary Education Commission, in which it was suggested that it would be useful for the TEC and AQA to build a deeper relationship with each other. Although it is important for AQA to maintain independence, it was felt that "… *sharing our perspectives on university performance would be valuable for both parties*". The submission indicated that there is scope for a more collaborative relationship and that the two agencies could manage this without having an impact on AQA's independence. The Panel invites AQA to consider this offer.

In discussions AQA acknowledged that links and interactions with some other sector agencies (Ministry of Education, Education Review Office) were 'patchy' and were somewhat dependent on personal connections rather than a formalised agency-to-agency approach.

The Panel also explored with students from Auckland University and Victoria University of Wellington and with NZUSA staff how the student voice could more fruitfully be heard throughout the audit process. While recognising that this is a challenging area for quality assurance agencies in all jurisdictions, the Panel detected a great deal of willingness from the students and NZUSA to assist AQA in whatever way they could. NZUSA also acknowledged the very positive contribution that AQA has made to student workshops, projects and conferences around the student voice and quality assurance feedback from students.

Recommendation 7
The Panel *recommends* that AQA and the AQA Board actively consider and consult on ways to enhance the student voice and the engagement of students with the audit process.

All those with whom the Panel interacted spoke of the excellent support and communication by the AQA staff who were seen as extremely professional and thorough. They were committed, responsive and conscientious. As one university stakeholder said "*AQA as an entity is getting better and better, [there is] better communication, newsletters, engagement".*

Commendation 4
The Panel *commends* AQA for the high level of professionalism, collegiality and support shown during their engagement with New Zealand universities and the AQA auditors.

1.7 Communication Strategies

AQA has effective communication tools and strategies for dissemination of information.

The Panel heard from many stakeholders that AQA provides a range of highly regarded on-line and paper-based quality enhancement resources alongside its core quality assurance activities. The refreshed website and newsletter, in particular, were seen as valuable resources for all universities, both in New Zealand and across the Asia/Pacific region.

The annual conference that AQA hosts is a useful opportunity for those involved in quality assurance and enhancement to come together to network and share experiences. To further build on these interactions a university stakeholder suggested that there could be more interactions with universities mid-cycle, for example through on-campus workshops for all interested staff and students.

The Panel was told that, because universities separately cannot stay ahead of all developments in the area, AQA assists by providing the means, electronically and in-person, to share information and good practice. The Panel was pleased to see how these tools and activities assist with the sharing of best practice in academic quality across the university sector.

Section 2: Relationships between AQA and the Universities

2.1 University Autonomy

AQA respects the autonomy, identity and integrity of the universities (individually and collectively) and recognises that institutional quality assurance is primarily the responsibility of the universities themselves.

In their Self-Review Report AQA lists the ways that university autonomy, identity and integrity are respected. These include that:

- audits are not compliance audits
- universities are able to carry out their self-reviews as they see fit
- audits take place within the context of a university's own strategic objectives
- universities are consulted in regard to the composition of an audit panel.

The focus of AQA's activities is enhancing quality processes rather than directly examining the quality of delivery, for example AQA works to enhance the process of student support but does not evaluate the outcomes of this support.

The Panel discussed this term of reference with the universities, auditors, students and external agencies. Stakeholders told the Panel that AQA understands and respects that each university is different. A university stakeholder said that the significance their Council places on audit should not be underestimated. Several university stakeholders said that the audit process is important as it gives a level of assurance and validation by an external agency. A view was expressed that universities would not be serving students well if they did not have the audit process. Students also expressed the view that it was beneficial that audits were external to the universities themselves as it provided a safe environment within which they could express frank views. The Vice-Chancellors add in their submission that the fact that the New Zealand university system takes collective responsibility for quality assurance is a real strength and something to be preserved.

The Panel found the words of stakeholders themselves best expressed how AQA's relationship with the universities was viewed.

> *My observation is that relations between AQA and the universities exhibit a high degree of trust and transparency, both of which are conducive to good self-regulation. The universities accept AQA's particular role and the fact that they will not always agree with reviewers' comments but they appreciate the fairness and good faith in which audits are conducted.* (International stakeholder and auditor)

> *The relationship that AQA has with the universities is respectful, supportive and mature. The commitment, engagement, and the professional and respectful behaviour of the audit panel members from other New Zealand universities is commendable.* (International stakeholder)

Interactions between AQA and University staff are professional and congenial and AQA respects the autonomy and special features of the University. They are sympathetic to University policies and practice and do not attempt imposing things that might conflict with the University's objectives, mission or values. They appear to have the best interests of universities and the tertiary sector in mind in all their activities. (University stakeholder)

I think under the current leadership AQA has the appropriate relationship with the eight universities in New Zealand. This is vitally important because it is a small system. There is the appropriate level of support for the university system, while remaining at an appropriate distance from individual universities.
(New Zealand Auditor)

The Panel did, however, hear a number of alternate assessments. Several external stakeholders wondered if the relationship with the universities is too close for AQA to be truly effective. One stakeholder suggested that as an organisation AQA seems to have limited ability to follow up on issues and ensure recommendations have been followed through. Others speculated that the peer review model was 'too cosy'. One stakeholder commented that:

AQA owes its existence to the universities and could draw fire if it were seen to be challenging the universities too much. It appears unusual that the main university quality agency for an entire (albeit small) country is funded entirely by the universities themselves. However, in raising this issue, it is not clear what the solution should be.
(University stakeholder)

The Panel asked AQA staff about whether they, or auditors, felt constrained about making critical comments in an audit. They were told that neither AQA staff nor audit panels felt constrained and that universities have not challenged critical sections of audit reports.

Overall, it was the Panel's view that AQA is diligent in respecting the autonomy, identity and integrity of the universities, and is careful to ensure that this approach does not diminish AQA's perceived effectiveness in the public sphere.

Commendation 5
The Panel *commends* AQA and the AQA Board for operating a system of quality audit of New Zealand universities which meets the highest standards of independence and integrity.

2.2 Consultation on Audit Criteria

The criteria which AQA applies in its external quality assurance have been subject to reasonable consultation with the universities and with students.

The Panel spent a considerable amount of time discussing the audit criteria, primarily with university stakeholders. The Panel was pleased to see the engagement of university staff with this aspect of the audit process and is happy to pass on the constructive suggestions that emerged. In this section the Panel considers the consultation on the Cycle 5 audit

criteria (Guideline Statements), the universities' experience of the application of the criteria and then offers feedback from the universities and suggestions on the criteria for Audit Cycle 6.

The process for determining the framework for the Cycle 5 Audit was seen to be inclusive and appropriate, although one university commented that the universities were consulted on aspects of the *content* of the proposed Cycle 5 framework, however they were not invited to comment on its overall focus or methodological approach.

The Panel discussed the Guideline Statements for Cycle 5 and the 'light touch' versus thoroughness argument with AQA staff and with all the universities. It emerged that although it was intended that the Cycle 5 Guideline Statements were to be treated slightly differently depending on their risk profile, in practice they all received a similar emphasis. The process of audit preparation therefore became more burdensome than it was expected to be.

Although universities reported considerable improvement with each audit cycle, they felt that some Cycle 5 Guideline Statements were repetitive, or the evidence required to respond to them was reported publicly elsewhere (e.g. retention and completion statistics). There was a sense that on occasion Guideline Statements were not evenly balanced in terms of importance, there were too many and they were too detailed. This meant there was a risk of the universities and audit panels losing sight of strategic issues.

Another question that emerged in discussions was "*Is there much else to audit?"* Some stakeholders wondered if the benefits gained from successive audit cycles are now diminishing.

> *I am wondering whether after a fifth cycle of audit, the AQA has run its course. It seemed to me to be operating in a limited space with less impact and influence than formerly (as one would hope given extensive quality improvement). In my view it is time for a re-think of what is now needed and the processes required to bring this about. However, I would not presume to offer what those might be and I believe this would require extensive sector-wide consultation.* (International Auditor)

> *The question that should continue to be asked is whether a wide-ranging academic audit is the appropriate instrument to meet part of the quality assurance requirements of New Zealand universities. This is a very complex question in New Zealand because of the requirements of the Education Act and the relationship of AQA with Universities New Zealand and their overall relationship with the requirements of the Ministry of Education, the TEC and NZQA.* (New Zealand Auditor)

A stakeholder commented that the audit cycle *"is a victim of its own success as issues that were there when the cycle began are no longer issues now as the universities have improved their processes".* However all stakeholders thought that the audit process should continue as, without it, quality processes in teaching and learning and the student experience could easily slip. The audit process also provides external accountability.

The Panel heard from a stakeholder with experience in international audit of the move in some developed countries to a model of 'communities of practice' in audit. Such a move

would respond to the concerns that several stakeholders raised with the Panel about the perceived interrogative nature of the New Zealand audit model. They expressed a sense that the universities were being examined and therefore needed to impress the audit panel. In their view a change to a more collaborative approach would enable universities to see audit as a positive experience during which they can take stock and as a catalyst for improvement.

One of the other features that stakeholders frequently mentioned during discussion of this term of reference was that the university context and the quality assurance environment are continually changing, and that the pace of this change is significant. University strategic planning and risk management were also seen to be on constantly shifting ground. Within such a setting stakeholders wanted the Cycle 6 audit process and framework to be relevant, focused and dynamic. The Panel noted a willingness by key stakeholders (universities and students) to be involved in discussions of the Cycle 6 audit model and framework.

As a record of the ideas that stakeholders put forward regarding Cycle 6 the Panel provides the following list:

- Set aside the low risk areas (aegrotats and appeal processes, even programme approval) and focus on the high risk areas and the middle ground
- Processes that support pedagogy and teaching delivery
- PhD management
- Themes related to a university's Strategic Plan, KPIs and Projects
- A focused, leaner framework that allows universities to get their teeth into an issue
- Professional development for academic staff
- Processes related to taught Masters degrees
- Have 'key focus areas', e.g. graduate attributes and graduate outcomes
- Assessment
- Curriculum benchmarking
- The student voice and the academic voice
- Research informed teaching and the teaching/research nexus
- External engagement.

The Panel suggests that, because Cycle 5 has been the most intensive and broadest audit to date and the sector is now relatively mature, it is time to acknowledge this maturity during the development of the framework for the Cycle 6 audit. While the Panel appreciates that it is the Vice-Chancellors who would make the decision, the Panel formed the view that a more focused, less generic approach to the framework and criteria for Cycle 6 would be of most benefit to universities. This would allow more concentrated discussion and exploration in depth of fewer issues.

Recommendation 8
The Panel *recommends* that AQA and the AQA Board consider, in consultation with the universities and other stakeholders, how Cycle 6 might be more focused. This is to ensure that universities can derive the most benefit from the audit process and ensure alignment with each university's strategic goals, including what it means to be a university, and an academic, in the 21st century.

2.3 Quality Enhancement

AQA endeavours to contribute to quality improvement within the universities; AQA provides quality assurance and quality enhancement services which assist universities in facilitating excellent student experience and learning outcomes.

In its Self-Review Report, AQA explains that it sees university audits as having both a quality assurance and a quality enhancement purpose. Submissions to the Panel confirmed that universities understand that audits have this dual role.

> *From the outset and throughout the audit process, from the framework setting through to the audit visit and report follow up, AQA have consistently approached the audit from the view that it (AQA and the Audit) is to enhance quality in a positive and constructive manner. At no time was the notion that the Audit was designed or meant to 'catch universities out' ever entertained.* (University stakeholder)

> *Engaging in the academic audit processes using internationally recognised procedures and processes was a developmental tool for [our university]. The self-review process allowed the university to reassess its internal processes and to recognise its strengths and weaknesses. Receiving the audit reports with Commendations, Affirmations and Recommendations was very beneficial. The university recognised its good practices through the commendations as well as areas it could improve on which were presented as recommendations.*
> (University Stakeholder)

AQA also advises in its Self-Review Report that it alerts stakeholders to examples of both national and international good practice through its website and newsletter, as well as in its 'Commendations' in audit reports. The submissions received by the Panel confirm the value of these activities. To support continuous improvement across the sector the TEC submission suggested that, should an audit panel find similar issues at a university between one audit and the next, AQA's mandate might be reconsidered so that AQA could exert more influence on performance improvement.

However several New Zealand stakeholders did question the resourcing available to AQA for quality enhancement and the extent to which AQA should be involved in quality enhancement activities. They noted the tension between AQA's quality assurance and quality enhancement functions and asked how AQA's quality enhancement role fits alongside a university's own initiatives in this area. In addition, they noted a lack of clarity in the nature of the quality enhancement services provided by AQA, and where the provision of such services sits in relation to the work of other sector bodies, such as Ako Aotearoa.

The Panel invites the AQA Board to consider clarifying AQA's quality enhancement role within the tertiary sector, both nationally and internationally.

2.4 Advocacy and Leadership

AQA endeavours to be a leader and advocate in the development of universities which are based on high quality, internationally acceptable, academic practices.

Written submissions related to AQA's advocacy and leadership role were received from international stakeholders in Papua New Guinea, Australia, Hong Kong and Fiji. In their Self-Review Report AQA outlines the role they have taken in these and other countries to promote good practice. The Panel also learned that the Director and the Chair of the AQA Board have contributed to academic audits as panel members in Namibia, Oman, India, Taiwan, Papua New Guinea, Hong Kong, Fiji and Samoa.

International approaches from these and other countries continue to be received and the view was expressed that there is value to New Zealand in more New Zealand auditors contributing as part of international quality reviews. Being involved in the audits of the University of the South Pacific and National University of Samoa were seen as very valuable experiences.

Those outside New Zealand spoke in warm terms of the leadership provided by AQA staff at the Asia-Pacific Quality Network (APQN) and by New Zealand auditors during audit visits to universities in the Pacific. The Panel also noted the Director's receipt of the 2014 APQN "Quality Champion" award as evidence of the high regard in which AQA is held overseas.

However in the submissions related to this term of reference the Panel detected a difference between the views of those within New Zealand universities and those outside New Zealand. To some New Zealand university stakeholders AQA's leadership and advocacy role appears somewhat opaque.

> *We note that the AQA revised its vision, mission and objectives statement in 2010 to include the above [term of reference]. Previously, the mission of the (former) NZUAAU was to engage 'as a leader and advocate in the development of academic quality'. Neither mission statement seems to accurately reflect the role of the AQA (or the autonomy of the universities).* (University stakeholder)

The Panel found that AQA's own view of this aspect of their role in relation to New Zealand universities was that it was implicit "*in the development of the Cycle 5 Framework which, in its development, drew heavily on the approach, experiences and good practices of external higher education quality assurance agencies in comparable jurisdictions*".

The Panel then considered how AQA might enhance its leadership and advocacy role for the benefit of New Zealand universities. From the evidence presented it was clear that AQA staff and a number of New Zealand auditors have amassed a considerable amount of expertise related to audit and quality processes in international jurisdictions. The Panel suggests that New Zealand universities could take advantage of this local repository of knowledge by inviting AQA staff and auditors to speak about and share their international experiences.

2.5 Audit Documentation

AQA provides documentation for the universities which indicate clearly what AQA expects of the institution with respect to self-review and external audit.

The Panel was able to view the Cycle 5 Academic Audit Handbook for Universities and the Cycle 5 Academic Audit Handbook for Auditors, as well as the AQA operational handbook. The Panel also asked university stakeholders whether the AQA documentation prepared for use in the self-review and external audit was clear and unambiguous. The following responses are typical and indicate that the universities are satisfied with the documentation provided:

> *I found the Cycle 5 audit manual commendably clear and well structured.*
> (University stakeholder)
>
> *The Audit Handbook for Universities clearly articulated expectations and provided appropriate and adequate information on the audit process from the purpose through completion of the self-review and outcomes of the audit. The Audit Handbook delivered sufficient guidance and explanation on requirements.*
> (University stakeholder)
>
> *Overall, the audit handbook is a clear, well-presented document.*
> (University stakeholder)

A number of suggestions to improve the documentation were also made. These included greater clarity around the supporting documentation and its format and use by the audit panel, and the process around the identification and requesting of additional information or material by the panel. It was also suggested that the audit handbook should make clear that an 'overview' statement about the University is required as part of the self-review submission. More clarity about how to include responses to recommendations from a university's previous audit was also suggested as an improvement.

University stakeholders also mentioned that AQA staff are very helpful and approachable in responding to any questions relating to the self-review process and the understanding of the self-review requirements.

> **Commendation 6**
> **The Panel *commends* AQA on the user-friendly nature of its website and the high quality of its handbooks.**

Section 3: External Review

3.1 Audit Independence

AQA processes ensure external audits of New Zealand universities are independent of the universities and of any other external agency and are timely, both with respect to frequency and with respect to the audit process itself.

The Panel explored the issue of AQA independence in detail with university stakeholders, auditors, AQA staff and Board members, Universities New Zealand and other external agencies. The Panel began by noting that the AQA Constitution states that while AQA

> *"... was established by the New Zealand Vice-Chancellors' Committee, it is fully independent of NZVCC in the conduct of its audit activities. AQA is funded by the New Zealand universities, through the office of Universities New Zealand. NZVCC appoints the Board and the Chair of the Board of AQA and approves the Constitution of the AQA and any changes to the Constitution. Neither the NZVCC nor the individual Vice-Chancellors have authority to amend audit process or the content of audit reports or otherwise direct the operations of the AQA."*

Audit processes are therefore ring-fenced by the Constitution from interference by the NZVCC and the individual universities. Furthermore in their Self-Review Report AQA advises that although the methodology and focus of audits is agreed to with the Vice-Chancellors, once agreement is reached *"universities may not intrude on the process or focus, either individually or collectively".*

The Panel asked university stakeholders if their experiences of the audit process confirmed these statements. The Panel was pleased to find that in all cases they did. Typical comments were:

> *The University is satisfied that external audits of New Zealand universities are sufficiently independent.*

> *External review is conducted independent of the universities, even though they have input as stakeholders.*

The Panel also asked AQA staff and Board members and UNZ staff whether the co-location of AQA and Universities New Zealand might lead to a perception that the independence of AQA was in some way compromised. The UNZ view is that the reporting lines are separate and clear. AQA Board members confirmed this, pointing out that although there are operational links with UNZ, AQA is materially independent and autonomous in its activities and processes. An auditor also agreed with this view, stating:

> *In recent years the AQA Board and Director have maintained a totally professional and appropriate relationship with Universities New Zealand. This is absolutely critical to the credibility of all parties and, importantly, the objectivity of the audit process.* (New Zealand Auditor)

The independence of audit reports from the universities was also acknowledged by representatives of external agencies. For instance, one external stakeholder commented:

> *The Audit Reports provide a useful insight into the areas of performance of individual universities that are not always evident from the range of metrics and performance information that the TEC either collects or receives from universities. … these reports also provide an independent assessment of an institution's performance.*

The AQA Self-Review Report also mentions that auditors are reminded that they may not engage in personal or professional interaction with staff of a university at the time of a site visit. The Panel was pleased to hear from a recently audited university stakeholder that *"auditors were not allowed to wander around campus on their own"*. Auditors also spoke of their understanding of the need for objectivity during the audit process.

> *The NZ university sector is quite small so inevitably people know each other, but this is managed and there are overseas auditors for balance. As far as possible, independence was maintained while balanced with knowledge of the sector.*
> (International Auditor)

The Panel heard a range of views in relation to the frequency of audits. Some universities and other stakeholders thought the audit cycle was too long, others thought that it was too short and some thought it was just right! Reasons put forward for one view or the other included:

- *With a five-year span for an audit cycle things change*
- *A long audit cycle is a problem as there is little collective memory within Students' Associations*
- *An audit cycle of five years, especially for 'whole-of-institution' audit is too short. A five-year cycle makes it difficult to address recommendations and review the effect of any changes between two cycles.*

Overall the view seemed to be that what was most important was to have regular audits, whatever their frequency, as this keeps the quality assurance momentum going and gives universities a focus for their own self-review. The Panel suggests that the frequency of audits be canvassed with the Vice-Chancellors, universities and the NZUSA during consultation on Audit Cycle 6.

> **Commendation 7**
> **The Panel *commends* AQA on the robust processes that it applies to the audit of quality in universities.**

3.2 International Benchmarking

AQA audit processes and findings are internationally benchmarked.

In its Self-Review Report AQA describes the extensive desktop review of international audit processes that was undertaken during the development of the Cycle 5 methodology and framework. The Report acknowledges the influence of the Quality Assurance Agency (QAA) on the final framework.

It was noted in submissions and discussions with university stakeholders that the AQA audit methodology is aligned with the INQAAHE Guidelines of Good Practice, and that the Director maintains connections with other international quality agencies. The current Director's experience and the international consultancy and audit work undertaken by AQA staff and auditors was also seen by university stakeholders to have significantly improved the international benchmarking of audit processes.

A comment was made in a submission that audit *findings* are benchmarked only through the participation of international members on audit panels. This aspect of audit panel membership was explored in considerable detail with auditors and university stakeholders.

All university stakeholders told the Panel that the inclusion of international audit panel members is essential to the audit process and that it adds considerable value. It is a means to bring international best practice to New Zealand and was seen as another way to improve the public accountability and independence of the audit process.

A view emerged from several auditors and university stakeholders that panels do not make enough use of the expertise of international panel members and that international panel members can sometimes be unaware of the local situation. An international auditor corroborated these views:

> *I did from time to time wonder whether my inclusion as an international member on the panel really added value. Perhaps international members could be briefed about whether their role includes bringing in an international perspective, and if so, if panels, and particularly panel Chairs, could be better briefed about how to get value from international members of panels.* (International Cycle 5 auditor)

The Review Panel acknowledges that the contribution an international panel member, and indeed any panel member, can make depends on the individual. Taking this into account, however, the Panel encourages AQA to ensure that international panel members are aware of the New Zealand tertiary education context and that they have been briefed on any current local issues before their service on an audit panel. The Panel encourages auditors and panel Chairs to make the most of the expertise that international panel members can bring to the audit process.

> **Recommendation 9**
> **The Panel *recommends* that AQA ensure that international auditors, and New Zealand-based auditors, can be enabled to bring international best practice to the audit process, and quality assurance and quality enhancement activities.**

Conversely, AQA needs to ensure that international auditors are aware of the New Zealand tertiary education context and any current local issues before their service on an audit panel.

In its Self-Review Report AQA suggests that benchmarking of its own processes would be assisted by the inclusion of an international member on the AQA Board. This possibility has been explored in Section 1.1 and the Panel's view is summarised in Recommendation 2.

3.3 Audit Methodology

AQA documentation for external audits states clearly the methodology to be used for the evaluation.

The Panel learned in discussions that stakeholders find the audit documentation to be clear and easy to work with. Universities were pleased to find that during their audit there were 'no surprises', as a consequence of the audit framework stating clearly the requirements and expectations of the audit. Universities found the engagement with AQA staff during the audit preparation process to be useful and constructive. The documentation for audits has also been discussed in Section 2.5.

Although it was explored in the AQA Self-Review Report, no issues or concerns were raised by auditors or university stakeholders in relation to the use of IT in audits. The Panel therefore supports AQA's current flexible approach in this area.

3.4 Audit Criteria

AQA documentation for external audits states clearly the standards (criteria) to be used for the evaluation and the manner in which outcomes will be conveyed.

Building on the findings of Section 3.3 above, the Panel ascertained that universities are also satisfied with the clarity of the documentation on the criteria to be used for evaluation. The notation of outcomes as recommendations, affirmations and commendations elicited no comments. The Panel therefore concluded that these had been well defined by AQA and were well understood by the universities.

The Guideline Statements (audit criteria) have been discussed in detail in Section 2.2.

3.5 Auditor Capability

AQA processes ensure the auditors are appropriately experienced, have necessary training and are capable to undertake the audit task.

The Panel discussed auditor capability with university stakeholders, AQA staff and Board members, and with auditors themselves. The auditors on the AQA Register of Auditors who were not invited to speak with the Panel were given the opportunity to provide a written submission. Eleven auditors accepted this invitation. The Panel's findings in this section cover the recruiting of auditors, auditor training, the appointment of the audit panel, and the diversity and capability of audit panels.

Several auditors commented on the rigour of the auditor recruitment process mentioning that it required them to have relevant experience in leading assessment, in the development of teaching and learning, and in policy and practices at an institutional level. The appointment process, including the professional and personal criteria against which auditor nominations are measured and the requirement for approval of new auditors by the AQA Board, was also carefully described in the AQA Self-Review Report. Having discussed the auditor recruitment process with AQA staff and Board members the Panel is satisfied that the process is robust and fit for purpose.

The Panel members spent considerable time discussing auditor training and resources with the auditors with whom they spoke. The Panel heard that auditors found the Auditor Handbook to be a very useful resource. A typical comment was:

> *As a relatively new auditor for AQA, although with previous auditor experience, I found the Auditor Handbook very thorough, helpful and appropriate. It is particularly helpful around process and clear about the respective responsibilities of AQA, the universities and the auditors.* (NZ Auditor)

Auditors also valued the scenario-based training and learning how to deal with possible ethical issues that might be encountered during an audit.

> *Some auditors I met early on in my dealings with the AQA were convinced that the way their own university operated was the best for all New Zealand universities. The AQA training sessions I attended all addressed this issue head-on to try to dilute such personal agendas and to get auditors to assess processes in the light of institutional claims.* (NZ Auditor - Panel Chair)

Although the training offered at workshops was seen to be very worthwhile, especially the role-playing exercises, many of the respondents who commented on the Auditor Training Workshops also made suggestions to improve the value of the sessions:

- *There could have been more cultural awareness, particularly in terms of protocols and procedures for the day – mihi mihi and karakia before food etc.*
- *Inclusion of more university personnel, especially deans and quality assurance managers, in training workshops would be helpful to auditors to understand what the institution has to go through when preparing for and undertaking an audit visit.*
- *It would be useful for universities to hear from auditors what the challenges are when assessing a self-assessment document and planning a visit.*
- *On-line access to training material would be a good idea.*

AQA comments in their Self-Review Report that a challenge with auditor training is the time lag between training and appointment to a panel. They advised the Panel that they have addressed this for the remainder of Cycle 5 by training panels as a group on a just-in-time basis. The Panel found that feedback from auditors and university stakeholders supports this decision. A theme that also emerged was that due to workload and other commitments auditors could not always attend the workshops and training sessions that AQA offered. Such just-in-time training would go some way towards addressing this issue.

The Panel also discussed auditor training with representatives from the New Zealand Qualifications Authority. NZQA operates a system of external evaluation and review of non-university tertiary education organisations. The Panel heard that NZQA would be keen to explore opportunities to share good practice in auditor training. They saw some similarities with their degree review panels and could see real benefits in some cross-over between evaluator and auditor training. The Panel suggests that AQA and NZQA explore this possibility.

The Panel found that the process of appointing the audit panel members was very transparent and allowed for the views of the audited university to be heard before the audit panel was finalised. Universities saw the appointment of an experienced Chair as crucial to the audit process. Although the role of the Chair can be onerous, auditors and university stakeholders commented that they are usually very diligent and take their roles very seriously. It was noted that a knowledgeable and well-prepared Chair can make all the difference to a university's audit experience.

Recommendation 10
Recognising that it is crucial that all auditors are well prepared in a timely way, the Panel *recommends* that systems be put in place to ensure that all auditors have received sufficient training before they attend an audit site visit. This should occur relatively close to an audit visit and might make use of on-line training materials.

Another area that the Panel considered in some detail was the diversity of audit panels. At present most audit panel members are senior or recently retired academics with a great deal of audit experience. Many of those with whom the Panel spoke suggested that it would benefit the audit process if this pool was broadened to include a new generation of younger academics, early career academics, industry members, employers and a stronger representation of international auditors.

There was a view that modern universities are dynamic and, while there is a need for experience, auditors also need to be in touch with the contemporary university. It was suggested that AQA needs to recruit those people who are at the heart of the current challenges facing universities. It was noted that at some universities service is now part of the promotion criteria, so service as an auditor can be part of an academic's career track. Training as an auditor could also be part of a university's career development model, in the same way as professional development is provided for Deans and Heads of School, and during 'Women in Leadership' initiatives.

The Panel also questioned university staff, NZUSA staff and students about the inclusion of students or recent graduates on audit panels. In its discussions the Panel noted that other jurisdictions do include student auditors on audit panels. The recent discussions in New Zealand about student representation on university Councils were also noted. Some universities also include student members on programme review panels.

When the Panel asked university stakeholders about the appointment of student auditors, stakeholders gave it careful and thoughtful consideration. Matters that arose in discussion that would need consideration and resolution included:

- *Human resources and financial information is provided to the audit panel, so student auditors would have to understand the need for confidentiality.*
- *They would need good training.*
- *Continuity is an issue.*
- *How much could they contribute and what value would they add?*
- *How much institutional knowledge would they have and what understanding would they have of how universities work?*
- *They would have to be 100% committed to the audit.*
- *They would need breadth and maturity.*
- *Students would need to feel like they are full members of the panel.*

The Panel suggests that AQA, universities and student groups explore whether it would be good practice to include students or recent graduates on audit panels.

The value a university is able to gain from an audit depends to some extent on the capability of the audit panel members. The Review Panel questioned auditors and university stakeholders about their audit experiences. Generally auditors felt well-prepared for their service on audit panels, however several were surprised by the quantity of material with which they were asked to become familiar. Unfamiliarity with this wealth of material can then sometimes lead to misunderstandings that unnecessarily distract from the audit process. Some suggestions to mitigate against this have been provided in Section 2.2.

University stakeholders found that in general audit panel members were courteous, professional and asked insightful questions. They were genuinely interested in the whole of the audit process as well as their own areas of interest and expertise. Serving on an audit panel was seen as a valuable experience, a collegial exercise and a service to offer to academic colleagues at other universities.

In making suggestions about how the audit experience could be improved, the use of conversational rather than interrogative questioning techniques was seen as most useful in stimulating constructive dialogue. Several respondents also commented that although auditors are reminded to put their own prior knowledge about a university and their own experience at their home institution aside, if a panel member has a particular view this is sometimes reflected in the audit report. Audit panel members also need to ensure that staff being interviewed by the panel understand what is expected of them and why they have been asked to speak with the panel. The Panel was told that appearing before an audit panel without this understanding can be an unnecessarily stressful experience.

University stakeholders told the Panel that it is also important that auditors have a very good understanding of learning and teaching in a university context, and have a background that is appropriate to the university being audited. Collectively the panel needs to be at a level where they can confidently test the audited university against the evidence provided in the university's self-review material.

Recommendation 11
The Panel *recommends* that AQA ensures that there is an appropriate diversity in the skills and experience of audit panel members, and that audit panel members be recruited and chosen carefully to match the distinctive nature of individual institutions.

3.6 Confidentiality and Conflict of Interest

AQA ensures issues related to confidentiality and conflict of interest are appropriately managed.

The Panel spoke with a number of university stakeholders and auditors about conflicts of interest and the confidentiality of audit materials and the audit process. The Panel also viewed the confidentiality and conflict of interest statements that AQA staff and auditors are asked to sign.

An auditor noted that there were clear expectations regarding auditor confidentiality and potential conflict of interest. University stakeholders said that they had no hesitation in sharing confidential material as they knew it would be treated with the appropriate sensitivity.

Although the Panel was told of several instances where conflicts of interest had emerged during an audit site visit, the Panel was advised that these had been dealt with satisfactorily by AQA staff once the staff had been made aware of the situation. To minimise the likelihood of such occurrences it is incumbent upon AQA staff and auditors to ensure that auditors clearly understand the expectations regarding these issues.

The Panel is satisfied that AQA has robust processes in place to manage confidentiality and conflicts of interest.

3.7 Audit Processes

AQA processes ensure the external audit reports are evidence-based, authoritative, fair, clear and have precisely-stated conclusions.

The Panel asked all universities about their experiences of the audit process and also received several written submissions from university stakeholders on this topic.

The AQA Self-Review Report states that *"audit reports are written by the Director based on the panel's discussions during and at the conclusion of the site visit. The Director reviews all documentation and attends all audit meetings".* In general the universities were satisfied that the audit processes were authoritative and fair. University stakeholders did, however, make a number of suggestions and observations in relation to the evidence basis and clarity of audit conclusions.

> *Reports are evidence-based although the evidence, as presented in the reports, has a flavour of "…the panel was told that…X", without corroboration from another source (except the university's own documentation) necessarily being cited.*

AQA's processes tend to focus on the presence of systems rather than effective implementation of those systems and seem to be over-reliant on the university's own self-assessment of effectiveness of process. It would be useful to have more public clarity on how AQA can independently source evidence of a university's effectiveness in managing its quality of provision.

The Panel suggests that, where appropriate, AQA consider how it can source independent (non-university) evidence that a Guideline Statement has been met.

One university said that it was not satisfied with the clarity or precision of several of the recommendations in its audit report, saying that it is difficult to obtain institutional buy-in or to implement a recommendation if it is not clear or well understood.

It would be helpful if recommendations, where they may affect different business units, could always be split into clearly discernible parts. The institution can disaggregate different aspects of a recommendation for operational purposes, but re-synthesising the results could prove tricky for the update reports.

The Panel suggests that AQA and the universities ensure, as part of the university check of the draft report, that the audited university understands the wording of the recommendations and, if not, that the wording is clarified.

All universities welcomed the involvement of the Director in site visits as, in their view, this ensured the consistency of the audit processes. It was also critical in panel moderation and the moderation of audit reports. The Panel also supports this view.

Commendation 8
The Panel *commends* AQA for the involvement of its staff during audit panel site visits which ensures consistency of operation.

3.8 Audit Processes and Self-Assessment
AQA processes ensure the evaluations and conclusions address the university's own self-assessment and external reference points.

In its Self-Review Report AQA emphasises that *"a university audit must be contextualised by the university's own strategic objectives, vision and mission".* An audit panel thus takes a Guideline Statement and asks the audit questions against the evidence presented by the university in its self-review portfolio.

The Panel found in their discussions that the universities themselves were very clear about the importance of the self-review report.

The preparation of the self-review is most important. It is an opportunity for critical reflection to identify deficiencies and improvements. The audit panel helps the university to see where improvements could be made.

The self-review report helps universities refine what they're doing – refinement is crucial.

The university's own internal discussion, reflection and engagement with students, staff and external stakeholders was the most valuable part of the exercise.

Various university stakeholders told the Panel that the self-review process helps universities look at themselves more carefully. It was also helpful when the information gathering for the self-review could feed into a university's own strategic planning cycle.

The Panel was also advised that there is now a much clearer expectation on universities to 'close the loop' in relation to audit recommendations in the follow-up report and in the next audit self-review document. Generally, the Panel found that the universities were very satisfied that audit panels' evaluations and conclusions addressed each university's own self-assessment and external reference points.

Within the framework and guidelines [we were] able to structure our self-review as suited our systems while still fulfilling the audit requirements. Guidance and assistance was freely offered and welcomed.

The audit report supported our self-review and highlighted areas where, if improvements were made, this would enhance our processes to the ultimate benefit of staff and students. There were areas we identified in the self-review that we were able to acknowledge that needed further development and to be supported for this rather than berated was reassuring and constructive.

The audit findings were clearly written and the rationale for the recommendations and affirmations were well expressed and easy to understand. The university was able to plan its post–audit actions around the recommendations and affirmations.

In its Self-Review Report AQA writes that where there is a strong self-review process by a university the resulting self-review portfolio will also be robust. AQA has also taken the view that the self-review report should be in a form that is most useful to the audited university. AQA did express some concern, however, that a university might do itself a disservice if its self-review report was lacking in some way, for example, by a failure to mention good practices or provide robust evidence. This could result in the audit panel overlooking positive aspects of the university's operations during its deliberations.

Recommendation 12
The Panel *recommends* that AQA emphasise the importance of the Self-Review Report and associated documentation to universities and to the audit panels, and work to enable the sharing of exemplars and best practice between universities.

3.9 Appeal Processes

AQA has appropriate appeal procedures.

The Panel discussed the audit appeal procedures with AQA staff and AQA Board members, as well as reading through the documentation in the AQA Policies and Procedures manual. A minor wording change that would further clarify the procedures was suggested during these discussions.

The Panel found the procedures for the hearing of appeals to be robust and appropriate. The Panel then asked what would happen if an appeal was upheld, as the remedies available at the end of the formal appeal process are not outlined in the policy. The Panel suggests that it would be helpful to outline the possible outcomes of an appeal in the policy and procedures documentation to ensure that these are clear for universities, AQA staff and the AQA Board.

Recommendation 13

The Panel *recommends* that the possible remedies in an appeal be more clearly articulated.

Section 4: Quality Enhancement

4.1 Dissemination of Good Practice

AQA contributes to the development, dissemination and implementation of new policies and good practices in quality assurance and quality enhancement, both nationally and internationally.

Three international stakeholders commented on this term of reference. All made very positive mention of the AQA website, quarterly newsletters, workshops and conferences to which AQA staff have contributed. The active participation of AQA professional staff in international quality networks and the presentation of papers on AQA activities at international conferences and symposia was also noted. These activities were all seen as means by which AQA shares information and good practice with international partners.

One international stakeholder observed that AQA, through its work with Pacific nations and their EQA agencies, is contributing to the achievement of New Zealand government policy goals for foreign aid in the region. It was suggested that NZ Aid might be interested in discussions with AQA to identify and fund specific projects for the Pacific region.

The Panel heard that public dissemination of the audit reports and related commentary through the AQA website provides guidance to national and international providers on their policy and good practice development. The AQA website also provides links to good practices from Australian and New Zealand universities. The “Good Practice in Action” and “Research Reports” sections on the website were mentioned as being particularly useful, as was the regular newsletter which draws attention to new international good practice.

Stakeholders said that the annual ‘Support for Quality’ Conference provides beneficial opportunities for networking with colleagues working in similar areas. The Panel was advised that the themes covered are relevant, topical and interesting. The opportunity to compare processes with other universities was invaluable. A suggestion was made that Ako Aotearoa and AQA could co-develop workshops or sessions for quality assurance staff in universities to update them on developments in the New Zealand sector and current trends in relation to international good practice.

In terms of the audit process itself, stakeholders said that the Guideline Statements provided policy and good practice expectations and allowed the identification of gaps in these areas. The provision of resources through website links related to each of these Guideline Statements also contributes to the sector’s development of new policies and good practices.

In its Self-Review Report AQA is realistic about what it can achieve in this area given its current size and mandate. To date AQA has ensured that additional activities are able to be accommodated within the workload of the agency, and are such that they can be held accountable in terms of relevance and usefulness to the sector.

Commendation 9
The Panel *commends* AQA for providing a range of highly regarded quality enhancement resources (newsletter, annual conference, website) alongside its core quality assurance activities.

4.2 External Interaction

AQA endeavours to improve the quality and reputation of its activities (including audit practice) by interaction with other education and academic quality assurance agencies, both nationally and internationally.

During its review visit the Panel met with representatives from the New Zealand Qualifications Authority, the New Zealand Union of Students' Associations, Ako Aotearoa and the Committee on University Academic Programmes (CUAP). The Panel also learned that the AQA Director is a member of the Joint Consultative Group which includes members from Universities New Zealand, CUAP and NZQA, and that UNZ and AQA work together to present to visiting delegations.

All spoke positively of their relationship with AQA, with the agency being seen as outward looking and collegial. The information sharing and contributions by AQA in areas of joint interest (e.g. The Student Voice project, Academic Cheating Services Working Party) were seen to benefit the New Zealand education sector as a whole.

Internationally, AQA meets this term of reference through activities including:

- MoUs with other international quality agencies, e.g. Hong Kong Council for Accreditation of Academic and Vocational Qualifications
- Professional staff are members of International Reviews groups and participate in quality audits of other agencies, e.g. Oman Academic Accreditation Agency
- As part of a joint project commissioned by the Asia-Pacific Quality Network, the Director worked with agencies in Australia, India and Malaysia on a mutual recognition project
- Being an active contributor to INQAAHE, to the Asia-Pacific Quality Network and to the Secretariat of the Pacific Board for Educational Quality.

In the submissions from international stakeholders the Panel was told that AQA has a strong reputation internationally for the thoroughness and collegiality of its reviews and for its interaction with other agencies. AQA is pro-active in asking others about their approaches to emerging matters, including audit practice, and equally willing to share its views when approached by other agencies.

The participation of AQA staff in the quality audits of other agencies was commended, both as an opportunity to raise AQA's profile internationally and to expose AQA staff to differing systems that can then inform improved practice in New Zealand. A New Zealand stakeholder noted, however, that although the external audit activities of AQA are important in supporting a regional development programme, in themselves they may not add a great deal of value to

the agency's core activities that, in their view, must be focused on the needs of New Zealand universities.

Having considered the material in the Self-Review Report, the submissions from stakeholders and conversations with representatives of a number of national agencies, the Panel saw both the contributions AQA makes nationally and the leadership role that AQA is taking in the Asia-Pacific region as positive features of the agency's work.

AQA is encouraged to continue to work to keep itself visible. This is important not just for the agency itself or for the universities, but so the public can see that New Zealand universities are externally quality assured and the international reputation of the New Zealand university quality assurance system is highly respected.

Commendation 10
The Panel *commends* AQA for its strong international presence and its development of constructive links with many other national and international quality agencies. This has contributed to the international respect and recognition given to New Zealand quality audit processes.

Section 5: External Activities

5.1 External Communication and Collaboration

AQA communicates and collaborates with other external quality assurance agencies in areas such as exchange of good practices, capacity building, formulation of decisions, provision of transnational education, joint projects and staff exchanges.

The collegial and proactive approach taken by AQA in its work with other agencies was highlighted in the responses to this term of reference. AQA's sharing of resources and good practice, ideas and expertise was seen to benefit the Asia-Pacific region in particular.

As examples of this collaborative approach, respondents advised the Panel that AQA has signed a Memorandum of Understanding with the Department of Higher Education, Research, Science & Technology in Papua New Guinea, and AQA has re-signed a Memorandum of Agreement with the University of the South Pacific in 2013, the first agreement having been signed in 2005. AQA also has memoranda with the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and with the Taiwan Assessment and Evaluation Association. These agreements allow collaboration and cooperative programmes. It was noted by staff from those agencies who provided submissions that AQA also follows up on its Memoranda of Understanding.

AQA is also seen by international stakeholders as a significant contributor to the development of new approaches in external quality assessment and practices that are of benefit to other agencies:

> *As a mature agency, AQA is particularly generous in offering ideas and expertise to those agencies that are still developing their own capabilities. In my view, AQA is a model for productive collaboration and consultation among external quality assessment agencies.* (International stakeholder and auditor)

> *I am aware that AQA is well thought of by its fellow regional agencies, and considered to be batting well above its weight in terms of its approach to quality assurance. I have been involved in panels elsewhere in the region over the years and have heard positive comment about the emerging role that New Zealand is playing in the field.* (International Cycle 5 auditor)

Keynote speakers at the annual 'Support for Quality' Conferences have been invited from Australia and invitations have been extended to Pacific national agencies and universities. A respondent from the University of the South Pacific noted that USP has attended three of these workshops and found the sessions and networking very useful.

The Panel heard that AQA now regularly receives requests from overseas universities for involvement of AQA in their own quality assurance processes. As one New Zealand auditor and panel Chair commented "*AQA is 'exporting' a reliable, sound and credible teaching quality audit process internationally, thereby enhancing the reputation of all New Zealand universities*".

It was suggested that if resources allowed there would be real value in emphasising the international connectedness of AQA and formalising additional relationships with relevant international quality assurance bodies.

The Panel invites AQA and the New Zealand universities to consider how such international initiatives can be used to add more value to AQA's core activities within New Zealand.

Commendation 11
The Panel *commends* AQA on their international engagement and initiative in contributing to overseas audit processes.

5.2 Transnational Education

AQA has guidelines related to transnational/cross-border education, in as much as these are relevant to academic audit of the New Zealand universities.

AQA note in their Self-Review Report that New Zealand universities have very few programmes that are taught overseas. The main focus of audit panels in cases of overseas delivery is on equivalence of learning outcomes and the provision of student and staff support. AQA expects the quality assurance of these and other non-traditional delivery modes to be embedded within a university's normal programme review and assessment cycle.

Several respondents commented on this term of reference suggesting that there is a role for AQA in this area if New Zealand is to avoid the emergence of multiple processes of scrutiny by different agencies. As the diversity of delivery modes increases there is a need to ensure that the audit model remains fit for purpose. It was suggested that AQA could usefully contribute to 'blue sky' discussions around the value added to tertiary education by these developments.

The Panel was satisfied that AQA's provision in this area is currently appropriate.

Section 6: Conclusions

The overall objective of this external review is to assess how effectively AQA

- assists the New Zealand Vice-Chancellors' Committee to discharge its responsibilities for quality assurance under the Education Act
- meets its own Mission and Objectives
- meets the INQAAHE Guidelines of Good Practice
- transacts its core business processes.

The evidence gathered during this external review and described in the previous sections demonstrates that AQA competently meets its three Objectives of Quality Assurance, Quality Enhancement and Quality Support. AQA also fulfils its Mission as a leader and advocate, perhaps more so in the international rather than the national sphere. The Panel hopes that this review has provided some suggestions for further developments within the national arena.

Given the complexities of universities in the 21st century, AQA is realistic about the extent to which it can influence the student experience and learning outcomes. However, this review has shown that universities place considerable value on the opportunity provided by the academic audit process for self-review and self-reflection. If AQA did not provide this opportunity it is the Panel's view that the academic quality and excellent reputation of New Zealand's universities would be at risk.

Based on the evidence provided, it is the view of the Review Panel that AQA continues to meet the INQAAHE Guidelines of Good Practice.

Given the previous review's emphasis on resourcing matters, the Panel was heartened to see the innovative ways in which AQA and Universities New Zealand have responded to these earlier recommendations in order to maximise the professional benefits that AQA staff and auditors can provide. The Panel is aware that this capability is dependent on the individual skills and expertise of the two current staff. The Panel is satisfied that the agency currently transacts its core business processes effectively and efficiently. The Panel hopes that this review will provide some guidance to the AQA Board as they consider AQA's future staffing requirements.

Overall the Review Panel concludes that AQA ably assists Universities New Zealand to discharge its responsibilities for academic quality assurance under the Education Act.

Appendix 1: Documents examined during the External Review

AQA Self-Review Report and supporting documentation
External Review of the New Zealand Universities Academic Audit Unit – Te Wahanga Tatari (2009)
AQA Cycle 5 Audit Handbook for Auditors
AQA Cycle 5 Audit Handbook for Universities
AQA Strategic Plan 2012 - 2015
Cycle 5 Academic Audits: Mid-Cycle Review Report
INQAAHE Guidelines of Good Practice in Quality Assurance
New Zealand's Tertiary Education Sector, Profile and Trends, 2013
Selected University Academic Audit Reports
AQA Operations Manual
CUAP Handbook 2015

Additional documentation requested by the Panel

Selected Cycle 4 Follow On Reports

Appendix 2: AQA Mission and Objectives

Mission

To contribute to high quality New Zealand university education by:

- engaging as a leader and advocate in the development of universities based on high quality, internationally acceptable, academic practices;
- providing quality assurance and quality enhancement services which assist universities in facilitating excellent student experience and learning outcomes.

Objectives

Objective 1: Quality Assurance
Ensure academic audits are timely and produce audit reports which are of assistance to universities, are authoritative, fair and perceptive.

Objective 2: Quality Enhancement
Contribute to the development, dissemination and implementation of new policies and good practices in quality assurance and quality enhancement in education, both nationally and internationally.

Improve the quality of AQA activities, including audit practice, by interaction with other education and academic quality assurance agencies, both nationally and internationally.

Objective 3: Quality Support
Ensure effective processes and adequate resourcing to achieve the above objectives at a high level of satisfaction for universities and other stakeholders.